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REVIEWS

Economic Phenomena Before and After the War; A Statistical Theory of Modern Wars, by Slavko Secerov. London, Geo. Routledge & Son, 1919. Pp. viii, 232.

This thesis, presented for the M.Sc. degree in Economics at the University of London, is an interesting but somewhat disappointing work. Although the theoretical reasoning is much better than the statistical support presented, yet some features of the theory do not seem cogent even on purely *a priori* grounds.

The main contention of the study is that war is a function of increasing disturbance of the economic equilibrium in advanced industrial communities. The state of economic equilibrium is a result of a balance between the factors of production and consumption. On the side of production chief importance attaches to the relative proportions of primary and secondary goods, when by primary goods is meant food and raw materials, and by secondary goods, manufactured articles. Primary goods are produced under the law of decreasing returns, secondary goods under that of increasing returns. The capitalistic community is under a constant propulsion to decrease its production of the former and increase the production of the latter, seeking, at the same time, to maintain a balance between the two by trade with less advanced communities, which are themselves being pushed toward industrialization by the accumulation of capital. On the side of consumption chief importance attaches to the growth of population and changes in the standard of living. In general, then, the thesis is that in advanced industrial communities there is a marked tendency for the production of primary goods to fall behind the growth of population and the rise in standards of consumption. This gradual disturbance of the economic equilibrium is corrected by war which checks the production of secondary goods, stimulates the production of primary goods, reduces population and depresses the standard of living.

Thus far the thesis is one that has in substance been expressed before (E. Van Dyke Robinson, *War and Economics in History and in Theory*, Pol. Sc. V. 15, pp. 581-622; W. S. Thompson, *Population, A Study in Malthusianism*; and E. Dana Durand, *Some Problems of Population Growth*, Quar. Pubs. A. S. A. V. 15, pp. 129-148) and even more effectively, for the style of this book is frequently marred by foreign accent. But the author further refines and elaborates his theory. In the first place the marriage rate, the death rate, and hence the rate of population increase are dependent on the ease of earning a wage sufficient to maintain the standard of living. This can be shown by a comparison of price index-numbers and percentages of increase in population. This has considerable validity in theory but the figures used (Table I, p. 50) indicate that the rate of population growth varied directly with the price level, especially if a lag of ten years be allowed. "As the increase rates fell from 18.1 per cent in 1811-21 to 11.9 in 1851-61, the average price index numbers fell from 156 to 89, etc." (p. 51). This means that a rise in prices stimulates population increase and vice versa, a conclusion contrary to his own theory and to common sense. Fortunately for the author's peace of mind this table is brought down to the close of the century only. Could he today contend that the rapid rise in prices in England and Wales since 1900 has been paralleled by growth of population? The fact is that for a generation the birth rates in Western Europe have been declining so that the secular changes of price levels and of birth rates were directly correlated for some years before 1896. But these secular movements of prices and birth rates have been inversely correlated since. Moreover the author does not either theoretically or inductively

show that short-term fluctuations of price levels and population movements are related.

But there is an additional aspect to the theory of population movements, namely, that (1) a special pressure of population on living conditions is shown immediately before war, while (2) there is a release of reproductive forces immediately following war. This last proposition has long been accepted and explained as a consequence of the check which war inevitably gives to marriage and marital relations. The author however contends that this post-war "ascending phase" of population growth is due to (1) a lowered standard of living and (2) greater ease of getting a living, largely owing to the loss of life during war. This explanation is left in the realm of *a priori* reasoning. Moreover the assertion (p. 68) that in the post-war period "the winning party is progressive, the losing stationary or retrogressive" is not demonstrated; it is in fact directly contrary to all data presented (pp. 56-61).

As to "the pre-war declining phase" of population growth, the author nowhere makes a convincing case. His best case is that of Prussia and France and the War of 1870-71. Take France, for example. By taking the years 1867-69 as the pre-war period he shows (p. 57) a decline as follows: 1867, 3.7 per 1,000 population; 1868, 1.6; 1869, 2.2. But one could do equally well by selecting other dates. Thus: 1863, 4.4; 1864, 3.9; 1865, 2.2. Moreover by starting at the low point of 1865 one could almost show a pre-war *ascending* phase, the figure for 1866 being 3.2. The drop in 1868 and 1869 is not less striking than the fall from 3.2 in 1856 to 1.1 in 1859 or the rise again to 3.7 in 1861. In Prussia the presence of cholera during the pre-war years admittedly caused such violent fluctuations as to obscure the operation of economic factors.

The author's study of data preceding the Great War is even less convincing. There has been a general tendency toward a decrease in the growth of population in all western Europe. If one is to find in that an indication of approaching war he will see only what one can see even more plainly where population is increasing. Moreover the fluctuations from year to year cannot be made the basis for statistical proof unless they are separated from the general trend and shown to be of significant proportions. Thus a decline in the French rate of growth from 1.5 in 1912 to 1.3 in 1913 can hardly "be taken as significant for forces affecting equilibrium" (p. 64) in view of the statement on the same page to the effect that the rates varied as follows: 1908, 1.2; 1909, 0.4; 1910, 1.8; 1911, 1.1. The drop from 1908 to 1909, or 1910 to 1911, or the rise from 1909 to 1910 was in each case several times greater than the fall 1912-1913. This instance is typical of much of the author's work. There is an uncritical and not altogether candid use of statistics; there is also no device for testing whether a difference is significant or not.

But equally important with growth of population, in the opinion of the author, is growth of consumption. His theoretical discussion is interesting and illuminating. With a rise in the standard of living, consumption of both primary and secondary goods is extended. Thus industrial communities produce proportionately less primary goods while steadily demanding more; at the same time they advance rapidly their production of secondary goods. The increased pressure upon the supply of primary goods has the effect of checking population growth so that, "if there is a steady and continuous decline in the rate of the natural growth of population, and a steady rise of consumption war is probably approaching" ("General Summary," p. 188). This quotation embodies the most unique proposition in the study,—a proposition that is far from demonstrated. He can show an increased per capita consumption of various fundamental foods during the 19th century, but he cannot show

convincingly either "a pre-war declining phase of the natural growth of population" or "a pre-war ascending period of consumption" (p. 105). His study of consumption is subject to criticisms similar to those already noted regarding his treatment of the subject of population. Take, for example, the Franco-Prussian War, pp. 110-117. In Table 22 he presents the annual per capita consumption of wheat and rye in Prussia. But before noting figures it should be mentioned that the author adds still another special quirk to this theory by contending that the imminent approach of war is indicated by a "special pressure area" of two or three years. In other words war is made probable by a persistent rise in the standard of consumption (plus lessened growth of population) and is virtually ushered in by a sudden decline of consumption. Data for Prussia are scarce and faulty "but the available statistics confirm the theory." Table 22 gives the per capita consumption of wheat and rye, during the years 1856-69, as follows: 1856-58, 173.2 kgs; 1859-61, 169.8; 1862, 161.1; 1863, 163.4; 1864, 166.9; 1865, 162.2; 1866, 162.2; 1867, 155.9; 1868, 149.8; 1869, 156.0. Presumably the years 1862-67 (or 1866) are the years of ascending consumption, and the years 1868 and 1869 those of "pressure on consumption." Several things may be said about these figures: (1) if one take the average for the eight years 1854-61 (figures for 1853-55 average 159.3) he gets 167.4, while the average for the eight pre-war years is only 159.7; thus the ascending phase becomes descending; (2) why do they not show the wars against Denmark and against Austria in 1864?; (3) elsewhere, when using agricultural data that do not fit, the author explains them away as due to the fluctuations of nature, as on the next page where he finds he cannot rely on wheat and potatoes for France for the figures are "irregular, probably due to bad harvests." There are four such excuses in eight pages (112-119). Hence for Prussia he uses wheat and rye because they fit; for France he cannot use wheat and potatoes and falls back on sugar and five drinkables, wine, spirits, beer, cocoa and tea. Apparently the French had little use for solid foods before the War of 1870; perhaps the true cause of the war was that excessive drinking on otherwise empty stomachs aroused an excess of martial spirit. The figures for Paris are no more convincing. Here data for meat consumption are given but they decline from 1864 to 1867 inclusive when they should rise, and then, during the "special pressure" period heralding the coming of war, they go up. What can a statistician do with such perverse figures, anyway, but to set them down and ignore them! His case is not strengthened, even by the further data giving the per capita consumption of *vanilla* and *pepper* for all France.

This sort of criticism could be extended indefinitely, especially if one were to take up the data given for years preceding 1914. There is reliance on chance variations, emphasis on insignificant differences, and crude handling of averages (pp. 144 and 145). Excuse is offered for data that do not fit but use is made of exactly similar data when they happen to fit the theory.

There is still a final proposition, namely, that war reestablishes equilibrium by increasing the production of primary goods. Here again the author seems unable to make a clear case statistically. His theory that such production increases during war and that, following war, it continues to increase in the losing territory, seems sound enough; as does also the theory that such production will decrease in the winning territory because the object of war is to acquire control of supplementary areas which will provide foods and raw materials. But one cannot readily apply the same reasoning to Russia in the Russo-Japanese war and to England in the British-Boer war, owing to enormous differences in stages of economic development. Moreover the fluctuations in crop acreages from year to year are such that, in the absence

of some method of showing general trend and the significance of variations therefrom, the statistical table becomes meaningless.

In spite of failure to establish clearly the special features of his theory, the author has given us another demonstration of the fact that the progressive industrialization of the Western World must encounter increasing difficulties as other communities move in the same direction. As supplementary areas grow small and gradually become barely self-sustaining, or even partially dependent as regards foods and raw materials, the capitalistic phase of world development must gradually give way to one in which standards of taste are less pecuniary and industrial organization less exploitative.

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The Italian Emigration of Our Times. Robert F. Foerster. (Harvard Economic Studies, Vol. XX.) Boston, Harvard University Press, 1919. Pp. xv, 556.

Dr. Foerster has produced a book for which all students of migrations will be grateful. It unmistakably shows a first-hand knowledge of the conditions of the Italian emigrant both at home and abroad, as well as a complete mastery of the literature. Moreover, unlike the work of most American scholars, it is written in a graceful style, rising at times to real beauty and distinction.

What distinguishes Dr. Foerster's work from that of most writers upon the subject is that, like Miss Balch, he rightly makes emigration from the homeland, rather than immigration into any one country, the center of the problem. As the result of an admirable statistical study, he shows that in the forty years preceding 1914, between sixteen and seventeen millions of emigrants left Italy. This figure, however, represents a certain amount of duplication since it includes the reëmigrants and the seasonal laborers who, before the war, went forth annually to work in the European countries and even as far away as Brazil, only to return in the winter. Dr. Foerster estimates that of the total emigration, approximately two-thirds was temporary and either had returned or would return to Italy. Something over four millions, however, had been finally lost to the country.

The early emigrants came chiefly from the northern provinces, but since 1900, the south has furnished the chief source. Four-fifths of them are males and the great majority unskilled laborers coming from the rural districts.

The forces causing this unparalleled migration are impelling rather than alluring. The emigrants are driven out by the economic pressure of an overcrowded population working upon infertile soil with the most primitive of tools and rudimentary of agricultural practices. Added to this is the system of large landed estates whereby high rents are exacted by absentee landlords and in the south the widespread prevalence of malaria. The inevitable result is a condition of misery which, in Sicily and the south especially, was scarcely equalled in any European country prior to the war.

Such, then, are the causes which have brought about this exodus of millions. Where have they gone? Everywhere that there has been economic opportunity. Both in the causes of emigration and in the direction which it has taken, economic factors, therefore, have almost completely predominated. Dr. Foerster describes, with a wealth of detail, the wide distribution of the emigrants. Large numbers have entered every European country, save Great Britain and Russia. Dr. Foerster points out the little known fact that of the transoceanic emigrants, the majority have gone to Argentina and Brazil. His chapters on the migrations to these countries are indeed a unique contribution. He computes that the native-born Italians form as